



110TH CONGRESS
2D SESSION

H. R. 5545

To amend title XVIII of the Social Security Act to modify Medicare physician reimbursement policies to ensure a future physician workforce, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2008

Mr. BURGESS introduced the following bill: which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to modify Medicare physician reimbursement policies to ensure a future physician workforce, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Ensuring the Future Physician Workforce Act of 2008”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PAYMENT AND QUALITY INCENTIVES

Sec. 101. Resetting to 2007 the base year for application of sustainable growth rate formula; elimination of sustainable growth rate formula in 2010.

Sec. 102. Quality incentives.

TITLE II—HEALTH INFORMATION TECHNOLOGY INCENTIVES

Sec. 201. Health information technology (HIT) payment incentive.

Sec. 202. Safe harbors to antikickback, civil penalties, and criminal penalties for provision of health information technology and training services.

Sec. 203. Exception to limitation on certain physician referrals (under Stark) for provision of Health Information Technology and training services to health care professionals.

Sec. 204. Rules of construction regarding use of consortia.

TITLE III—INFORMATION AND REPORTS

Sec. 301. Information for physicians on Medicare billings.

Sec. 302. Information for beneficiaries on Medicare expenditures.

Sec. 303. Collection of data on Medicare savings from physicians' services diversion.

Sec. 304. Trustees' ongoing examination of Medicare funding.

Sec. 305. Independent study on Medicare Relative Value Unit Scale Update Committee (RUC) process.

Sec. 306. Study of reporting requirements on health care disparities.

1 **TITLE I—PAYMENT AND** 2 **QUALITY INCENTIVES** 3 **SEC. 101. RESETTING TO 2007 THE BASE YEAR FOR APPLI-** 4 **CATION OF SUSTAINABLE GROWTH RATE** 5 **FORMULA; ELIMINATION OF SUSTAINABLE** 6 **GROWTH RATE FORMULA IN 2010.**

7 (a) IN GENERAL.—Section 1848(d) of the Social Se-
8 curity Act (42 U.S.C. 1395w-4(d)), as amended by section
9 101 of the Medicare, Medicaid, and SCHIP Extension Act
10 of 2007 (Public Law 110-173), is amended—

11 (1) in paragraph (4)—

(A) in subparagraph (B), by striking “subparagraph (D)” and inserting “subparagraphs (D) and (G)”; and

(B) by adding at the end the following new subparagraph:

“(G) REBASING TO 2007 FOR UPDATE ADJUSTMENTS BEGINNING WITH JULY 1, 2008.—In determining the update adjustment factor under subparagraph (B) for 2008, for the period beginning on July 1, 2008, and ending on December 31, 2008, and 2009—

“(i) the allowed expenditures for 2007 shall be equal to the amount of the actual expenditures for physicians’ services during 2007;

“(ii) subparagraph (B)(ii) shall not apply to 2008, for the period beginning on July 1, 2008, and ending on December 31, 2008; and

“(iii) the reference in subparagraph (B)(ii)(I) to ‘April 1, 1996’ shall be treated, beginning with 2009, as a reference to ‘January 1, 2007.’”; and

(2) by adding at the end the following new paragraph:

1 “(9) UPDATING BEGINNING WITH 2010.—The
 2 update to the single conversion factor for each year
 3 beginning with 2010 shall be the percentage increase
 4 in the MEI (as defined in section 1842(i)(3)) for
 5 that year.”.

6 (b) CONFORMING SUNSET.—Section 1848(f)(1)(B)
 7 of such Act is amended by inserting “(ending with 2008)”
 8 after “each succeeding year”.

9 **SEC. 102. QUALITY INCENTIVES.**

10 (a) EXTENSION OF CURRENT TRANSITIONAL BONUS
 11 INCENTIVE PAYMENTS FOR 2009.—Section 101(c) of divi-
 12 sion B of the Tax Relief and Health Care Act of 2006
 13 (42 U.S.C. 1395w–4 note), as amended by section 101
 14 of the Medicare, Medicaid, and SCHIP Extension Act of
 15 2007 (Public Law 110–173), is amended—

16 (1) in the heading, by striking “AND 2008” and
 17 inserting “, 2008, AND 2009”;

18 (2) in paragraph (1), by inserting “(or 3 per-
 19 cent in the case of the reporting periods beginning
 20 after December 31, 2008)” after “1.5 percent”; and

21 (3) in paragraph (6)(C)—

22 (A) in clause (i), by striking “and” at the
 23 end;

24 (B) in clause (ii), by striking the period at
 25 the end and inserting “; and”; and

1 (C) by adding at the end the following new
2 clause:

3 “(III) for 2009, all of 2009.”.

4 (b) ESTABLISHMENT OF NEW QUALITY INCENTIVE
5 SYSTEM EFFECTIVE IN 2010.—

6 (1) IN GENERAL.—Section 1848 of the Social
7 Security Act (42 U.S.C. 1395w) is amended by
8 striking subsection (k) and inserting the following:

9 “(k) PHYSICIAN QUALITY INCENTIVE SYSTEM.—

10 “(1) IN GENERAL.—The Secretary shall estab-
11 lish a reporting system (in this subsection referred
12 to as the ‘Physician Quality Incentive System’ or
13 ‘System’) for quality measures relating to physi-
14 cians’ services that focuses on disease-specific high
15 cost conditions. Not later than January 1, 2010, the
16 Secretary shall—

17 “(A) identify the 10 health conditions that
18 have the highest proportion of spending under
19 this part, due in part to a gap in patient care,
20 and for which reporting measures are feasible;
21 and

22 “(B) adopt reporting measures on these
23 conditions, based on measures developed by the
24 Physician Consortium of the American Medical
25 Association.

1 “(2) ADD-ON PAYMENT.—

2 “(A) IN GENERAL.—The Secretary shall
3 provide, in a form and manner specified by the
4 Secretary, for a bonus or other add-on payment
5 for physicians that submit information required
6 on the conditions identified under paragraph
7 (1).

8 “(B) AMOUNT.—Such a bonus or add-on
9 payment shall be equal to 1.0 percent of the
10 payment amount otherwise computed under this
11 section.

12 “(C) TIMELY PAYMENTS.—Such a pay-
13 ment shall be made, with respect to information
14 submitted for a month, by not later than 30
15 days after the date the information is submitted
16 for such month.

17 “(D) DEDUCTIBLE AND COINSURANCE NOT
18 APPLICABLE.—Such payment shall not be sub-
19 ject to the deductible or coinsurance otherwise
20 applicable to physicians’ services under this
21 part.

22 “(E) USE OF REGISTRY.—In carrying out
23 subparagraph (A), the Secretary shall allow the
24 submission of the required information through

an appropriate medical registry identified by the Secretary.

“(3) MONITORING.—The Secretary shall monitor and report to Congress on an annual basis physician participation in the Physician Quality Incentive System, administrative burden encountered by participants, barriers to participation, as well as savings accrued to the Medicare program due to quality care improvements based on measures established under the Physician Quality Incentive System.”.

“(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to payment for physicians’ services for services furnished in years beginning with 2010.

TITLE II—HEALTH INFORMATION TECHNOLOGY INCENTIVES

SEC. 201. HEALTH INFORMATION TECHNOLOGY (HIT) PAYMENT INCENTIVE.

Section 1848 of the Social Security Act is amended by adding at the end the following new subsection:

“(m) HEALTH INFORMATION TECHNOLOGY PAYMENT INCENTIVES.—

“(1) STANDARDS.—Not later than January 1, 2009, the Secretary shall create standards for the

1 certification of health information technology used in
2 the furnishing of physicians' services.

3 “(2) ADD-ON PAYMENT.—The Secretary shall
4 provide for a bonus or other add-on payment for
5 physicians that implement a health information tech-
6 nology system that is certified under paragraph (1).
7 Such a bonus shall be equal to 3.0 percent of the
8 payment amount otherwise computed under this sec-
9 tion, except that—

10 “(A) in no case may the total of such
11 bonus and the bonus provided under subsection
12 (k)(2) exceed 6 percent of such payment
13 amount; and

14 “(B) such payments with respect to a phy-
15 sician shall only apply to physicians' services
16 furnished during a period of 36 consecutive
17 months beginning with the first day of the first
18 month after the date of such certification.

19 The bonus payment under this paragraph shall not
20 be subject to the deductible or coinsurance otherwise
21 applicable to physicians' services under this part.”.

1 **SEC. 202. SAFE HARBORS TO ANTIKICKBACK, CIVIL PEN-**
2 **ALTIES, AND CRIMINAL PENALTIES FOR PRO-**
3 **VISION OF HEALTH INFORMATION TECH-**
4 **NOLOGY AND TRAINING SERVICES.**

5 (a) FOR CIVIL PENALTIES.—Section 1128A of the
6 Social Security Act (42 U.S.C. 1320a–7a) is amended—

7 (1) in subsection (b), by adding at the end the
8 following new paragraph:

9 “(4) For purposes of this subsection, inducements to
10 reduce or limit services described in paragraph (1) shall
11 not include the practical or other advantages resulting
12 from health information technology or related installation,
13 maintenance, support, or training services.”; and

14 (2) in subsection (i), by adding at the end the
15 following new paragraph:

16 “(8) The term ‘health information technology’
17 means hardware, software, license, right, intellectual
18 property, equipment, or other information tech-
19 nology (including new versions, upgrades, and
20 connectivity) designed or provided primarily for the
21 electronic creation, maintenance, or exchange of
22 health information to better coordinate care or im-
23 prove health care quality, efficiency, or research.”.

24 (b) FOR CRIMINAL PENALTIES.—Section 1128B of
25 such Act (42 U.S.C. 1320a–7b) is amended—

26 (1) in subsection (b)(3)—

1 (A) in subparagraph (G), by striking
2 “and” at the end;

3 (B) in the subparagraph (H) added by sec-
4 tion 237(d) of the Medicare Prescription Drug,
5 Improvement, and Modernization Act of 2003
6 (Public Law 108–173; 117 Stat. 2213)—

7 (i) by moving such subparagraph 2
8 ems to the left; and

9 (ii) by striking the period at the end
10 and inserting a semicolon;

11 (C) in the subparagraph (H) added by sec-
12 tion 431(a) of such Act (117 Stat. 2287)—

13 (i) by redesignating such subpara-
14 graph as subparagraph (I);

15 (ii) by moving such subparagraph 2
16 ems to the left; and

17 (iii) by striking the period at the end
18 and inserting “; and”; and

19 (D) by adding at the end the following new
20 subparagraph:

21 “(J) any nonmonetary remuneration (in the
22 form of health information technology, as defined in
23 section 1128A(i)(8), or related installation, mainte-
24 nance, support, or training services) made to a per-

son by a specified entity (as defined in subsection (g)) if—

“(i) the provision of such remuneration is without an agreement between the parties or legal condition that—

“(I) limits or restricts the use of the health information technology to services provided by the physician to individuals receiving services at the specified entity;

“(II) limits or restricts the use of the health information technology in conjunction with other health information technology; or

“(III) conditions the provision of such remuneration on the referral of patients or business to the specified entity;

“(ii) such remuneration is arranged for in a written agreement that is signed by the parties involved (or their representatives) and that specifies the remuneration solicited or received (or offered or paid) and states that the provision of such remuneration is made for the primary purpose of better coordination of care or improvement of health quality, efficiency, or research; and

1 “(iii) the specified entity providing the re-
2 muneration (or a representative of such entity)
3 has not taken any action to disable any basic
4 feature of any hardware or software component
5 of such remuneration that would permit inter-
6 operability.”; and

7 (2) by adding at the end the following new sub-
8 section:

9 “(g) SPECIFIED ENTITY DEFINED.—For purposes of
10 subsection (b)(3)(J), the term ‘specified entity’ means an
11 entity that is a hospital, group practice, prescription drug
12 plan sponsor, a Medicare Advantage organization, or any
13 other such entity specified by the Secretary, considering
14 the goals and objectives of this section, as well as the goals
15 to better coordinate the delivery of health care and to pro-
16 mote the adoption and use of health information tech-
17 nology.”.

18 (c) EFFECTIVE DATE AND EFFECT ON STATE
19 LAWS.—

20 (1) EFFECTIVE DATE.—The amendments made
21 by subsections (a) and (b) shall take effect on the
22 date that is 120 days after the date of the enact-
23 ment of this Act.

24 (2) PREEMPTION OF STATE LAWS.—No State
25 (as defined in section 1101(a) of the Social Security

1 Act (42 U.S.C. 1301(a)) for purposes of title XI of
2 such Act) shall have in effect a State law that im-
3 poses a criminal or civil penalty for a transaction de-
4 scribed in section 1128A(b)(4) or section
5 1128B(b)(3)(J) of such Act, as added by subsections
6 (a)(1) and (b), respectively, if the conditions de-
7 scribed in the respective provision, with respect to
8 such transaction, are met.

9 (d) STUDY AND REPORT TO ASSESS EFFECT OF
10 SAFE HARBORS ON HEALTH SYSTEM.—

11 (1) IN GENERAL.—The Secretary of Health and
12 Human Services shall conduct a study to determine
13 the impact of each of the safe harbors described in
14 paragraph (3). In particular, the study shall examine
15 the following:

16 (A) The effectiveness of each safe harbor
17 in increasing the adoption of health information
18 technology.

19 (B) The types of health information tech-
20 nology provided under each safe harbor.

21 (C) The extent to which the financial or
22 other business relationships between providers
23 under each safe harbor have changed as a re-
24 sult of the safe harbor in a way that adversely

1 affects or benefits the health care system or
2 choices available to consumers.

3 (D) The impact of the adoption of health
4 information technology on health care quality,
5 cost, and access under each safe harbor.

6 (2) REPORT.—Not later than three years after
7 the effective date described in subsection (c)(1), the
8 Secretary of Health and Human Services shall sub-
9 mit to Congress a report on the study under para-
10 graph (1).

11 (3) SAFE HARBORS DESCRIBED.—For purposes
12 of paragraphs (1) and (2), the safe harbors de-
13 scribed in this paragraph are—

14 (A) the safe harbor under section
15 1128A(b)(4) of such Act (42 U.S.C. 1320a-
16 7a(b)(4)), as added by subsection (a)(1); and

17 (B) the safe harbor under section
18 1128B(b)(3)(J) of such Act (42 U.S.C. 1320a-
19 7b(b)(3)(J)), as added by subsection (b).

1 **SEC. 203. EXCEPTION TO LIMITATION ON CERTAIN PHYSI-**
2 **CIAN REFERRALS (UNDER STARK) FOR PRO-**
3 **VISION OF HEALTH INFORMATION TECH-**
4 **NOLOGY AND TRAINING SERVICES TO**
5 **HEALTH CARE PROFESSIONALS.**

6 (a) IN GENERAL.—Section 1877(b) of the Social Se-
7 curity Act (42 U.S.C. 1395nn(b)) is amended by adding
8 at the end the following new paragraph:

9 “(6) INFORMATION TECHNOLOGY AND TRAIN-
10 ING SERVICES.—

11 “(A) IN GENERAL.—Any nonmonetary re-
12 muneration (in the form of health information
13 technology or related installation, maintenance,
14 support or training services) made by a speci-
15 fied entity to a physician if—

16 “(i) the provision of such remunera-
17 tion is without an agreement between the
18 parties or legal condition that—

19 “(I) limits or restricts the use of
20 the health information technology to
21 services provided by the physician to
22 individuals receiving services at the
23 specified entity;

24 “(II) limits or restricts the use of
25 the health information technology in

1 conjunction with other health informa-
2 tion technology; or

3 “(III) conditions the provision of
4 such remuneration on the referral of
5 patients or business to the specified
6 entity;

7 “(ii) such remuneration is arranged
8 for in a written agreement that is signed
9 by the parties involved (or their represent-
10 atives) and that specifies the remuneration
11 made and states that the provision of such
12 remuneration is made for the primary pur-
13 pose of better coordination of care or im-
14 provement of health quality, efficiency, or
15 research; and

16 “(iii) the specified entity (or a rep-
17 resentative of such entity) has not taken
18 any action to disable any basic feature of
19 any hardware or software component of
20 such remuneration that would permit
21 interoperability.

22 “(B) HEALTH INFORMATION TECHNOLOGY
23 DEFINED.—For purposes of this paragraph, the
24 term ‘health information technology’ means
25 hardware, software, license, right, intellectual

1 property, equipment, or other information tech-
2 nology (including new versions, upgrades, and
3 connectivity) designed or provided primarily for
4 the electronic creation, maintenance, or ex-
5 change of health information to better coordi-
6 nate care or improve health care quality, effi-
7 ciency, or research.

8 “(C) SPECIFIED ENTITY DEFINED.—For
9 purposes of this paragraph, the term ‘specified
10 entity’ means an entity that is a hospital, group
11 practice, prescription drug plan sponsor, a
12 Medicare Advantage organization, or any other
13 such entity specified by the Secretary, consid-
14 ering the goals and objectives of this section, as
15 well as the goals to better coordinate the deliv-
16 ery of health care and to promote the adoption
17 and use of health information technology.”.

18 (b) EFFECTIVE DATE; EFFECT ON STATE LAWS.—

19 (1) EFFECTIVE DATE.—The amendment made
20 by subsection (a) shall take effect on the date that
21 is 120 days after the date of the enactment of this
22 Act.

23 (2) PREEMPTION OF STATE LAWS.—No State
24 (as defined in section 1101(a) of the Social Security
25 Act (42 U.S.C. 1301(a)) for purposes of title XI of

1 such Act) shall have in effect a State law that im-
2 poses a criminal or civil penalty for a transaction de-
3 scribed in section 1877(b)(6) of such Act, as added
4 by subsection (a), if the conditions described in such
5 section, with respect to such transaction, are met.

6 (c) STUDY AND REPORT TO ASSESS EFFECT OF EX-
7 CEPTION ON HEALTH SYSTEM.—

8 (1) IN GENERAL.—The Secretary of Health and
9 Human Services shall conduct a study to determine
10 the impact of the exception under section 1877(b)(6)
11 of such Act (42 U.S.C. 1395nn(b)(6)), as added by
12 subsection (a). In particular, the study shall examine
13 the following:

14 (A) The effectiveness of the exception in
15 increasing the adoption of health information
16 technology.

17 (B) The types of health information tech-
18 nology provided under the exception.

19 (C) The extent to which the financial or
20 other business relationships between providers
21 under the exception have changed as a result of
22 the exception in a way that adversely affects or
23 benefits the health care system or choices avail-
24 able to consumers.

1 (D) The impact of the adoption of health
2 information technology on health care quality,
3 cost, and access under the exception.

4 (2) REPORT.—Not later than three years after
5 the effective date described in subsection (b)(1), the
6 Secretary of Health and Human Services shall sub-
7 mit to Congress a report on the study conducted
8 under paragraph (1).

9 SEC. 204. RULES OF CONSTRUCTION REGARDING USE OF
10 CONSORTIA.

11 (a) APPLICATION TO SAFE HARBOR FROM CRIMINAL
12 PENALTIES.—Section 1128B(b)(3) of the Social Security
13 Act (42 U.S.C. 1320a-7b(b)(3)) is amended by adding
14 after and below subparagraph (J), as added by section
15 202(b)(1), the following: “For purposes of subparagraph
16 (J), nothing in such subparagraph shall be construed as
17 preventing a specified entity, consistent with the specific
18 requirements of such subparagraph, from forming a con-
19 sortium composed of health care providers, payers, em-
20 ployers, and other interested entities to collectively pur-
21 chase and donate health information technology, or from
22 offering health care providers a choice of health informa-
23 tion technology products in order to take into account the
24 varying needs of such providers receiving such products.”.

1 (b) APPLICATION TO STARK EXCEPTION.—Para-
2 graph (6) of section 1877(b) of the Social Security Act
3 (42 U.S.C. 1395nn(b)), as added by section 203(a), is
4 amended by adding at the end the following new subpara-
5 graph:

6 “(D) RULE OF CONSTRUCTION.—For pur-
7 poses of subparagraph (A), nothing in such
8 subparagraph shall be construed as preventing
9 a specified entity, consistent with the specific
10 requirements of such subparagraph, from—

11 “(i) forming a consortium composed
12 of health care providers, payers, employers,
13 and other interested entities to collectively
14 purchase and donate health information
15 technology; or

16 “(ii) offering health care providers a
17 choice of health information technology
18 products in order to take into account the
19 varying needs of such providers receiving
20 such products.”.

TITLE III—INFORMATION AND REPORTS

SEC. 301. INFORMATION FOR PHYSICIANS ON MEDICARE BILLINGS.

(a) IN GENERAL.—Section 1848 of the Social Security Act, as amended by section 201, is amended by adding at the end the following new subsection:

“(n) ANNUAL REPORTING OF INFORMATION TO PHYSICIANS.—

“(1) IN GENERAL.—The Secretary shall annually report to each physician information on total billings by the physician (including laboratory tests and other items and services ordered by the physician) under this title. Such information shall be provided in a comparative format by code, weighting for practice size, number of Medicare patients treated, and relative number of Medicare beneficiaries in the geographical area.

“(2) CONFIDENTIALITY.—Information reported under paragraph (1) is confidential and shall not be disclosed to anyone other than the physician to whom the information relates.

“(3) REPORT NOT TO BE USED IN DETERMINING REIMBURSEMENT RATES FOR A SPECIFIC PHYSICIAN.—The Secretary shall not use informa-

1 tion contained in a report under this subsection with
 2 respect to a physician in determining reimbursement
 3 rates under this part for items and services fur-
 4 nished by that physician.”.

5 (b) EFFECTIVE DATE.—The Secretary of Health and
 6 Human Services shall first provide for reporting of infor-
 7 mation under the amendment made by subsection (a) for
 8 billings during 2007.

9 **SEC. 302. INFORMATION FOR BENEFICIARIES ON MEDI-**
 10 **CARE EXPENDITURES.**

11 (a) IN GENERAL.—Section 1804 of the Social Secu-
 12 rity Act (42 U.S.C. 1395b–2) is amended by adding at
 13 the end the following new subsection:

14 “(d) ANNUAL REPORT ON INDIVIDUAL RESOURCE
 15 UTILIZATION.—The Secretary shall provide for the report-
 16 ing, on an annual basis, to each individual entitled to ben-
 17 efits under part A or enrolled under part B, on the amount
 18 of payments made to or on behalf of the individual under
 19 this title during the year involved. Such information shall
 20 be provided in a format that compares such amount with
 21 the average per capita expenditures in the region or area
 22 involved.”.

23 (b) EFFECTIVE DATE.—The Secretary of Health and
 24 Human Services shall first provide for reporting of infor-

1 mation under the amendment made by subsection (a) for
2 payments made during 2007.

3 **SEC. 303. COLLECTION OF DATA ON MEDICARE SAVINGS**
4 **FROM PHYSICIANS' SERVICES DIVERSION.**

5 (a) IN GENERAL.—The Secretary of Health and
6 Human Services shall collect data on annual savings in
7 expenditures in the Medicare program due to physicians'
8 services that resulted in hospital or in-patient diversion.

9 (b) REPORT.—The Secretary shall transmit to Con-
10 gress annually a summary of the data collected under sub-
11 section (a).

12 **SEC. 304. TRUSTEES' ONGOING EXAMINATION OF MEDI-**
13 **CARE FUNDING.**

14 (a) EXAMINATION BY BOARD OF TRUSTEES.—The
15 Board of Trustees of the Federal Hospital Insurance
16 Trust Fund under section 1817 of the Social Security Act
17 (42 U.S.C. 1395i) and of the Federal Supplementary Med-
18 ical Insurance Trust Fund under section 1841 of such Act
19 (42 U.S.C. 1395t) shall monitor and examine the extent
20 to which the different funding mechanisms under parts A,
21 B, and D of title XVIII of such Act provide an appropriate
22 alignment with the program goals of the respective parts.
23 Such examination shall include an analysis of each of the
24 following:

1 (1) The extent to which, as the volume of serv-
2 ices increases in physician settings under such part
3 B, there is a corresponding reduction in similar serv-
4 ices provided in a hospital setting under such part
5 A.

6 (2) The extent to which, as a result of increased
7 coordination between physicians and the delivery of
8 prescription drugs under such part D, particularly
9 with respect to individuals with chronic conditions,
10 there will be a decrease in hospitalizations under
11 such part A.

12 (3) The extent to which other changes in physi-
13 cian or other health care practice results in a shift-
14 ing of expenditures among the various parts of such
15 title XVIII.

16 (b) INCLUSION IN ANNUAL REPORTS.—In each an-
17 nual report submitted to the Congress after the date of
18 the enactment of this Act under section 1817(b)(2) or sec-
19 tion 1841(b)(2) of the Social Security Act (42 U.S.C.
20 1395i(b)(2), 1395t(b)(2)), such Board of Trustees shall
21 include information on the matters described in subsection
22 (a).

1 **SEC. 305. INDEPENDENT STUDY ON MEDICARE RELATIVE**
2 **VALUE UNIT SCALE UPDATE COMMITTEE**
3 **(RUC) PROCESS.**

4 (a) IN GENERAL.—The Secretary of Health and
5 Human Services shall enter into an arrangement with an
6 appropriate independent entity to conduct a study of price
7 inputs and relative values for physicians' services rec-
8 ommended by the AMA/Specialty Society Relative Value
9 Unit Scale Update Committee (RUC) process. The study
10 shall examine (and make recommendations on) how to im-
11 prove accuracy in pricing the mix of physicians' services
12 and how such process could improve value weighting as
13 new services become available.

14 (b) REPORT.—The Secretary shall provide for com-
15 pletion of the study under subsection (a) by January 1,
16 2010, and shall provide for a report to Congress on the
17 results of the study.

18 **SEC. 306. STUDY OF REPORTING REQUIREMENTS ON**
19 **HEALTH CARE DISPARITIES.**

20 (a) IN GENERAL.—The Secretary of Health and
21 Human Services shall provide for a study of health care
22 disparities in high-risk health condition areas and minor-
23 ity communities about the impact reporting requirements
24 may have on physician penetration in such communities.

25 (b) REPORT.—The Secretary shall provide for the
26 completion of the study conducted under subsection (a)

- 1 by not later than January 1, 2011, and shall submit to
- 2 Congress a report on the study upon its completion.



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